

## MEMORANDUM

TO: Robert J. Taggart  
FROM: Ravi Rangan, P.E.  
SUBJECT: Title V Permit for the Premcor Refining Group, Inc.  
DATE: May 10<sup>th</sup> 2004

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### Background:

The Air Quality Management (AQM) Section of the Delaware Department of Natural Resources and Environmental Control has completed processing the Repowering Project and Delaware City Power Plant portion of the Delaware City Refinery's January 2, 1997, AQM-1001 series application and supplemental information that was submitted to the Department pursuant to Regulation No. 30 of the State of Delaware "**Regulations Governing the Control of Air Pollution.**" The application indicated that the Delaware City Refinery presently owned by The Premcor Refining Group, Inc. (Premcor) and formerly owned by Motiva Enterprises, LLC is subject to Regulation No. 30 because the potential to emit a combination of hazardous air pollutants (HAPs), nitrogen oxides, and volatile organic compounds (VOCs) exceeds 25 tons per year (tpy); and the potential to emit sulfur dioxide, carbon monoxide, and particulate matter exceeds 100 tpy. The inherent complexity of this facility, coupled with the fact that most of the units are major sources by themselves, has necessitated this permit to be structured in several parts.

### Discussion:

Accordingly, the attached "Draft" Operating Permit - Part 3, satisfying the requirements of Regulation No. 30 covers the following units:

- Delaware City Power Plant comprised of four (4) boilers
- Gasification plant comprised of 2 gasifier trains
- Acid gas removal system, syngas flare and cooling tower
- Power block comprised of two (2) combined cycle units with duct burners and heat recovery steam generators

The "Draft" Operating Permit- Part 3 specifies the terms and conditions, conditions 2 through 6, under which Premcor will be permitted to operate the aforementioned emission units. AQM is also concurrently processing the Regulation No. 30 permits for the remaining units, i.e., the remaining units at the refinery not covered by the Part 1 permit issued on November 14, 2001. These units will be included in Part 2 of the permit. In addition to the emission units listed in Condition 1, Premcor will be permitted to operate all activities with air emissions that are not listed in Condition 1 and that are designated as insignificant activities under Regulation No. 30 or designated as trivial activities under Appendix "A" of the Department's summary of the July 10, 1995, EPA "White Paper for Streamlined Development of Part 70 Permit Applications," notwithstanding Regulation No. 2 of the State of Delaware "**Regulations Governing the Control of Air Pollution.**"

The attached "Draft" Operating Permit- Part 3 covers only the operating permit requirements of Regulation No. 2 and Regulation No. 30. The attached "Draft" Operating Permit- Part 3 does not satisfy future construction permit obligations. Prior to initiating any construction or modification activity Premcor must evaluate the applicability of, and, if required, secure necessary construction permit(s) pursuant to Regulation No. 2 or 25, and/or initiate necessary permit revision procedures pursuant to Regulation No. 2 and Regulation No. 30.

AQM will public notice this "Draft" Operating Permit- Part 3 as required by Section 7 (j) of Regulation No. 30 in the Delaware State News and the News Journal on Wednesday May 12, 2004. The public notice period will be no less than thirty (30) days in accordance with Regulation No. 30, Section 7(j)(2). The public comment period will end on June 11, 2004. Any comments should be brought to the Department's attention on or before June 11, 2004. We are also asking Premcor to concurrently submit a copy of any comments to MACTEC, the consultant assisting us in this permitting effort.

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Recommendation:

It is recommended that the attached "Draft" Operating Permit- Part 3 be issued.

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pc:     Dover Title V File  
          Robert J. Taggart  
          Ravi Rangan, P.E.  
          Bruce Steltzer